CENTRAL INTELLIGENCE AGENCY OFFICE OF NATIONAL ESTIMATES

9 March 1961

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE
SUBJECT: Lags

We believe that the US cannot, by any remonstrances to the USSR, make the Communists give up the position of strength that they have established and improved in Laos

We believe that the Soviets could probably be induced by remonstrances to agree to a "neutral" Laos, with a cessation of all outside military support, but almost certainly involving Pathet Lao participation in the government.

The Soviets would consider that such a solution was only temporary, and that it left them in a good position for future gains.

There would almost certainly be a positive world reaction to a US indication of willingness to negotiate a settlement -- via the 14 nations conference route, with a ceasefire to be imposed in Laos in the meanwhile. The Bloc would probably prograstinate, seeking

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to enlarge and	consolidate	the areas	of Pathet	Lao control	. in	
Laos in the me	antime.					
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ATTACHMENT: SIHANOUK'S PROPOSAL FOR A 114 NATION CONFERENCE ON LAOS

I. Proposed 1 January 1961

"Geneva" Powers

Membership to be:

US*
USSR*
Cambodia*
UK *
Communist China*
Burma
France*
North Vietnam*
Canada
Poland
India
South Vietnam*
Thailand *

II. The USSR and Communist China have not rejected the proposal, maintaining that some such conference is necessary to work out a solution.

They also maintain such a conference must preced and set the terms of reference for any commission set up to supervise or investigate activities in Iaos.

They also insist that Souvanna Phouma must be treated as the legal Prime Minister of Laos in any such internation negotiations.

III. It is unlikely that the Bloc will agree to any negotiating forum other than such a 14 nation conference or a reconvening of the Geneva agreement powers. The Neutral Nations Commission proposal advanced by King Savang appears dead, with Burma and Cambodia declining to participate.

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IV. Possible Basis for US counter-proposal.

- A. Accept ll National Conference Proposal
- B. Conditions:
 - 1) Immediate cease fire in Laos conflict
 - 2) All outside powers to stop military supply operations
- 3) King Savang to represent Laos, or both Souvanna Phouma and Boun Oum.

C. Rationale

- 1) These conditions could meet a major objection to the plan: that during such a protracted conference Pathet Lao would be free to continue their military and subversive campaign.
- 2) Such a conference <u>could</u> provide the Bloc a propaganda forum. However, the US also has some cards to play in such a case.
- V. This proposal based on the following estimates:
- A. That a military "solution" to the Laotian crisis is not likely by Laotian government forces alone, no matter how much US logistic support is provided;
- B. That use of foreign troops necessary to scatter major Pathet Lao concentration and retake Plaines des Jarres and Sam Neua would run grave risk of expanded hostilities.

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- C. That Bloc would settle for a neutral Laos with Communist representation in the government and that the USSR does not desire a major conflict in Laos.
- VI. The proposal assumes:
- A. US acceptance of a soft, left-leaning Laos which might, in time, become Communist.